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AGRICULTURAL ADJUSTMENT ADMINISTRATION
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AFFIDAVIT OF MAILING NOTICE

FINDINGS OF FACT AND ORDER TO THE
SECRETARY

IN THE MATTER OF:

VALLEY DAIRY CO. INC.

BEFORE THE SECRETARY OF
AGRICULTURE

No.

17 - 1 - 7

57 - 2 - 7

CITY OF WASHINGTON :

: SS

DISTRICT OF COLUMBIA

I, Joseph A. Walsh, being first duly sworn, depose and say
as follows:

I, being thereunto duly authorized as a representative and
agent of the Secretary of Agriculture, and in accordance with Section 200
of the General Regulations, Series 3, of the Department of Agriculture,
Agricultural Adjustment Administration, did deposit in the United States
mail at Washington, D. C.,

On July 28, 1934 at 4:56 P.M. o'clock a registered letter
containing a notice and/or Findings of Fact and Order of the Secretary, a
copy of which is attached hereto and made a part hereof, signed by the Sec-
retary of Agriculture, or an officer or agent duly authorized by the
Secretary, and issued by him pursuant to said General Regulations, Series 3,
of the Department of Agriculture, Agricultural Adjustment Administration,
direct to, duly registered and addressed, as the last known address of, as
follows:

Valley Dairy Co., Inc.,
2401 Fletcher Drive,
Glendale, California.

Harold C. Johnston,
Attorney At Law,
718 Citizens National Bank Bldg.,
Los Angeles, California.

Subscribed and sworn to before me this

/s/ Joseph A. Walsh

30th day of July 1934.

(SEAL) /s/ L. M. Sampson

Notary Public

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.

IN THE MATTER OF :
:
VALLEY DAIRY CO. INC., : BEFORE THE SECRETARY OF AGRICULTURE
:
A California Corporation : CASE NO. 17-1-7
57-2-7

FINDINGS OF FACT AND ORDER OF THE SECRETARY

On November 16, 1933, the Secretary duly issued License No. 17, License for Milk--Los Angeles Milk Shed, effective November 20, 1933, and continuously since said date Valley Dairy Co., Inc., a California corporation, has been a distributor of fluid milk for consumption in the Los Angeles Sales Area and was a licensee under said License No. 17 from the effective date of said License No. 27 until the termination of said License No. 17 on May 31, 1934.

On February 21, 1934, a written order of the Secretary, as provided for in General Regulations, Series 3, Sections 200 and 201, requiring respondent to show cause on or before the 5th day of March, 1934, why its said license under License No. 17 should not be revoked or suspended by the Secretary, was duly served upon the respondent.

The said Order to Show Cause contained the following statements of the alleged violations of the terms and conditions of the license by the respondent:

(1) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated the terms and conditions of said license.

(2) That said licensee, its officers, employees and agents, has at divers times since November 20, 1933, violated Article III, paragraph 1 of said license, by purchasing fluid milk for distribution as fluid milk in the Los Angeles Sales Area at prices and under terms and conditions different from those provided for in said paragraph and as set forth in Exhibit "A" of the license.

(3) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated Article III, paragraph 3 of said license, in that it has purchased and distributed fluid milk in violation of the terms and conditions as set forth in the Production and Surplus Control Plan as provided for in Exhibit "C" of the license.

(4) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated Article III, paragraph 4 (b) of said license by purchasing milk from producers for distribution as Grade A Market Milk in violation of the terms and conditions of said paragraph of the license.

(5) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated Article III, paragraph 4 (b) of said License by purchasing milk from producers for distribution as Grade A Market Milk in violation of the terms and conditions of said paragraph, in that it has purchased fluid milk for consumption in the Los Angeles Sales Area from producers without being authorized by said producers to make the deductions as provided for in said paragraph of the license, and without making said deductions.

(6) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated Article III, paragraph 4 (b) of said license, by failing and refusing to pay to the Los Angeles Industry Board the amounts deducted from producers, as provided for in said paragraph of the license.

(7) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated Article III, paragraph 4 (b) of said license, by failing and refusing to pay, as a distributor, to the Los Angeles Milk Industry Board the amounts therein required to be paid by it as a distributor.

(8) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated Article III, paragraph 4 (b) of said license, by failing and refusing to deduct and pay over to the Los Angeles Milk Industry Board the amounts therein provided to be deducted and paid over for each pound of butterfat contained in milk produced by said licensee.

(9) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated Article III, paragraph 4 (c) of said license, by purchasing milk for distribution as Grade A Market Milk from producers in violation of the terms and conditions of said paragraph of the license.

(10) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated Article III, paragraph 4 (c) of said license, by purchasing milk for distribution as Grade A Market Milk from producers in violation of the terms and conditions of said paragraph of the license, and by failing and refusing to make the payments to the Los Angeles Milk Industry Board required by said paragraph of said license.

(11) That said licensee, its officers, employees and agents at divers times since November 20, 1933, has violated Article III, paragraph 4 (d) of said license, by failing and refusing to comply with the terms and conditions of said paragraph of said license.

(12) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated Article III, paragraph 5 (a) of said license, by failing and refusing to comply with the terms and conditions of its license as set forth in said paragraph.

(13) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated Article III, paragraph 5 (b) of

said license, by failing and refusing to comply with the terms and conditions of its license as set forth in said paragraph.

(14) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated Article III, paragraph 5 (a) and (b) of said license, by purchasing milk for distribution as Grade A Market Milk in the Los Angeles Sales Area from producers who are not members of any of the associations of producers listed in paragraph 4 of Article III of said license without authorization from such producers to deduct, or cause to be deducted by the particular association of producers, if any, of which any such producer is a member, each month, certain sums therein required to be deducted and paid to Producers Arbitration Committee, Inc., or to its successor, Milk Producers, Inc., and without paying said sums to Milk Producers, Inc.

(15) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated Article III, paragraph 5 (c) of said license, by failing and refusing to comply with the terms and conditions of its license as set forth in said paragraph.

(16) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated Article III, paragraph 5(c) of said license, by failing and refusing to pay each month to Producers Arbitration Committee, Inc., or its successor, Milk Producers, Inc., certain sums therein required to be paid, based upon said licensee's production of milk for distribution by said licensee as Grade A Market Milk in the Los Angeles Sales Area.

(17) That said licensee, its officers, employees and agents, at divers times since November 20, 1933, has violated Article III, paragraph 14 of said license, by failing and refusing to comply with the terms and conditions of its license as set forth in said paragraph.

In response to a telegraphic request by counsel for respondent in the above entitled case, the time for filing its answer to said Order was extended to March 10, upon the condition that the hearing be held in Los Angeles, California, on March 16, 1934. Reserving its right to object to the jurisdiction of the Secretary or to the validity of the Order to Show Cause, this condition was agreeable to counsel for respondent, and an answer, consisting of eighteen pages, was filed within the time specified to the charges set forth in said Order to Show Cause, in accordance with General Regulations, Series 3. In said Answer the respondent, after objecting and excepting to the jurisdiction of the Secretary of Agriculture to hear or determine the issues presented in this matter, denied each and all of the allegations contained in the Order to Show Cause and alleged numerous specific grounds as matters of defense to the charges made in said order. This Answer is contained in Government Exhibit No. 1 which was submitted for the record made at the hearing.

A hearing was held on March 16, 1934, at 10 o'clock A.M., in the Assembly Room of the California State Building, Los Angeles, California,

in accordance with the order of the Secretary, and as agreed to by counsel for the respondent before Arthur P. Curran, Esq., Presiding Officer, an officer and employee of the United States Department of Agriculture, duly designated and appointed by the Secretary. The respondent appeared and was represented by attorney J. H. Johnston. The Secretary of Agriculture was represented by C. P. Door, Esq., and A. D. Hadley, Esq. of Washington, D. C.

It was stipulated at the hearing by counsel for all parties that the above entitled case be consolidated with the cases of Charles J. Kurtz, Lucerne Cream and Butter Company, and Western Holstein Farms, Inc., for the purpose of the trial, and that in determination of each case, the testimony applicable to all four cases, as well as the testimony pertaining to that particular case, should be considered.

At the outset, counsel for respondent raised certain objections to the jurisdiction of the Secretary to try the issues raised by the Order to Show Cause and the answer, which objections were overruled. Various motions to dismiss the proceedings based on lack of jurisdiction were also offered by counsel for respondent. After extended argument by both counsel for respondent and counsel for the Government, and upon consideration of the authorities submitted, the various motions to dismiss were denied. At said hearing, after objecting to the introduction of any and all of the testimony to be introduced by counsel for the Secretary, counsel for the respondent participated fully in the proceedings and cross examined fully the witnesses produced on behalf of the Secretary.

After ten full days consumed in the taking of testimony, on April 12, 1934, by agreement of counsel representing all parties, the hearing was adjourned until such time as the audit being made of the Los Angeles Milk Industry Board and Milk Producers, Inc., by representatives of the Comptroller of the Department of Agriculture, was completed. It was stipulated that the audit should be received in evidence at an adjourned hearing to be held in Washington in lieu of further cross-examination of Mr. Evans, Accountant for the Milk Producers, Inc., and that this audit should be considered by the Secretary in arriving at his final determinations with respect to the issues raised herein. However, it was further agreed that the respondents were to have the privilege of presenting such additional evidence as might come to their attention during the adjournment. Counsel for the respondents submitted to the auditors a statement of the various contentions for their consideration in completing the audit. The auditors considered these various contentions in making their audit and the audit was completed as agreed and copies furnished to the parties herein.

On May 31, 1934, the Secretary terminated License No. 17, License for Milk--Los Angeles Milk Shed, effective on and after 12:01 A.M., Eastern Standard Time, June 1, 1934. In said order of termination it was provided that "any and all obligations which have arisen, or which may hereafter arise in connection therewith, by virtue of, or pursuant to, such license, shall be deemed not to be affected, waived, or terminated hereby."

On May 31, 1934, the Secretary duly issued License No. 57, License for Milk--Los Angeles, California, Sales Area, effective June 1, 1934, and

continuously since said date the Lucerne Cream and Butter Company, a California corporation, has been engaged in the business of distributing, marketing or handling milk or cream as a distributor in the Los Angeles Sales Area and is a licensee duly licensed under said License No. 57. In Paragraph 4, Section 7, Article II of said License No. 57 it was provided that: "Each and every distributor shall fulfill any and all of his obligations which shall have arisen or which may hereafter arise in connection with, by virtue of or pursuant to the License for milk in the Los Angeles Sales Area issued by the Secretary on November 16, 1933."

Pursuant to notice duly served upon the respondents, and in accordance with the agreement entered into by the parties on April 12, 1934, the matter came on for further hearing on June 14, 1934, at Washington, D. C. Counsel for the respondents and counsel for the Government appeared at said adjourned hearing at the time and place specified in said notice. At the hearing, the audits, completed by the auditors of the Department of Agriculture, were introduced in evidence. After objecting to the introduction of the audits, which objections were overruled, counsel for the respondents examined Mr. Manley, under whose supervision the audits were made, with respect to various matters contained in the aforesaid audits.

On June 18, 1934, at the adjourned hearing, counsel for the Secretary moved to amend the Order to Show Cause, issued in the above entitled case, charging the respondent with failure to fulfill its obligations under the prior License No. 17, as provided for by Paragraph 4, Section 7, Article II of License No. 57, License for Milk -- Los Angeles, California, Sales Area, and in connection therewith offered for the record the order of the Secretary terminating License No. 17 and a certified copy of the new License No. 57. The order of the Secretary terminating License No. 17 was admitted in evidence without the objection. Subject to respondent's objection, the Presiding Officer granted leave to counsel for the Government to amend the Order to Show Cause and receive in evidence Government Exhibit No. 51 which was a certified copy of License No. 57. The amendment to the Order to Show Cause was presented by counsel for the Secretary and incorporated in the record. Thereupon, counsel for the respondent refused to participate further in the case and, waiving oral argument upon the record as thus made, asked permission to file a brief with respect to the propriety of the granting of the motion to amend said Order to Show Cause. The permission was granted and counsel for the respondent thereupon withdrew from the hearing.

The fullest opportunity to be heard and to produce evidence bearing upon the issues presented was afforded to the Secretary and to the respondent and both said parties were fully heard. At the close of the hearing neither counsel for the respondent nor for Government made any argument but were content to have the decision arrived at upon the record as made and brief filed therein. The hearing consumed twelve full days.

Thereafter the Presiding Officer made Findings of Fact and a Recommendation and reported the same to the Secretary together with the record of the proceedings including the Order to Show Cause, Answer, stenographic report of all the oral testimony and all the documentary

evidence offered and received, and a brief filed by the respondent with a transcript of all testimony and documentary evidence offered and received in the aforesaid four consolidated cases, and the briefs filed therein.

Upon the record thus made, the Secretary of Agriculture in addition to the foregoing, makes the following Specific Findings of Fact:

(1) That the respondent, Valley Dairy Co., Inc., is a California corporation whose address is 2401 Fletcher Drive, Glendale, California.

(2) That the respondent purchases fluid milk from producers in the Los Angeles Milk Shed and distributed said milk for consumption in the Los Angeles Sales Area and also has a production of its own of milk produced in the Los Angeles Milk Shed which it distributes for consumption as fluid milk in the Los Angeles Sales Area.

(3) That the respondent, since the effective date of License No. 17 and prior thereto, including the period described in the license as the "production base period", has been engaged in distributing fluid milk for consumption in the Los Angeles Sales Area and was a licensee duly licensed under License No. 17 from the effective date of said License No. 17, November 20, 1933, until the termination of said License on May 31, 1934.

(4) That the respondent, since the effective date of License No. 57, has been and is in the business of distributing, marketing and handling milk and cream as a distributor in the Los Angeles Sales Area and is a licensee duly licensed under License No. 57.

(5) That in the marketing of fluid milk produced in the Los Angeles Milk Shed and in the distribution of said fluid milk in the Los Angeles Sales Area, both interstate and intrastate commerce are so inextricably intermingled that said marketing and distribution of fluid milk in the Los Angeles Sales Area are in the current of interstate commerce. And further that intrastate commerce in such marketing and distribution of fluid milk in the Los Angeles Sales Area affects, burdens, and competes with interstate commerce in such marketing and distribution of fluid milk and of milk products in such a manner as to bring the distribution and marketing of fluid milk within said area in the current of interstate commerce and under the power of regulation vested in the Secretary of Agriculture by the Agricultural Adjustment Act, and the business of the respondent is the marketing and distribution of fluid milk within said area in such as to bring it within the said current of interstate commerce.

(6) That certain producers from whom the respondent purchased fluid milk did, at various times during the period, ship fluid milk to the surplus plant operated by Milk Producers, Inc., which is successor to Producers Arbitration Committee, Inc., as provided for in said License No. 17.

(7) That large quantities of the butter, cheese and other dairy products manufactured at the surplus plant operated by Milk Producers, Inc., which is successor to Producers Arbitration Committee, Inc., from milk delivered to said plant by producers within the said area, were shipped in interstate commerce.

(8) That the Los Angeles Milk Industry Board was duly organized in accordance with the terms of said License No. 17; that the said Board was composed of thirteen members who were properly selected in accordance with the provisions of Exhibit D of said license, all of which appointments to said Board were approved by the Secretary, as provided for in said license.

(9) That the said Los Angeles Milk Industry Board has functioned continuously since its creation in the performance of its duties, as set forth in said License No. 17.

(10) That the said Los Angeles Milk Industry Board, in accordance with the provisions of Exhibit D of the said License, made certain arrangements to determine under the provisions of Paragraph 9 of Exhibit C of said License No. 17 whether the daily average quantity of milk sold for consumption as whole milk in the Los Angeles Sales Area had become so decreased as to render impractical in its opinion the accounting for such variations through adjustments in the base price paid producers.

(11) That pursuant to Paragraph 9 of Exhibit C of License No. 17, the Los Angeles Milk Industry Board determined that the daily average quantity of milk sold for consumption in the Los Angeles Sales Area had become so decreased as to render impractical the accounting for such variations through adjustments in the base price as provided for in Paragraph 4, Schedule "C", "Establishment of Adjusted Base Price".

(12) That pursuant to Paragraph 9 of Exhibit C of License No. 17, Milk Producers, Inc., successor to Producers Arbitration Committee, Inc., made certain uniform decreases for each month in all existing established bases of producers to the end that the sum total of all bases adjusted would again approximate in amount the daily average quantity of milk sold for consumption as whole milk in the Los Angeles Sales Area.

(13) That the various percentages of scale downs in existing established bases of producers by said Milk Producer, Inc., successor to Producers Arbitration Committee, Inc., for the respective periods were approved by the Los Angeles Milk Industry Board and by the Secretary, as provided by Paragraph 9 of Exhibit C of License No. 17 - "Establishment of Adjusted Base Price".

(14) That the existing established base of each producer was determined by Milk Producers, Inc., successor to Producers Arbitration Committee, Inc., on the basis of deliveries of producers during the base period March 16, 1933, to June 16, 1933, both dates inclusive, ascertained from reports of distributor which include producer-distributors covering deliveries to them or milk produced by them for this period. The total deliveries of each producer divided by the number of days in the base period established the producer's general daily average base. This general daily average base was scaled down pursuant to Paragraph 9 of Exhibit C of License No. 17 to arrive at an adjusted basic average for each producer for the period. The resultant total was the quantity that the producer was to deliver or sell as base milk. Milk delivered or sold in excess of this monthly base was treated as surplus milk.

(15) That Milk Producers, Inc., successor to Producers Arbitration Committee, Inc., was operating the surplus plant, as provided for in Exhibit C of said License, accounting to producers delivering milk to it for the full base price as set forth in said License in respect of deliveries not in excess of the individual producer's adjusted base as determined above, and for the surplus price in respect of deliveries in excess of producer's adjusted base.

(16) That the amounts determined by Milk Producers, Inc., successor to Producers Arbitration Committee, Inc., to be due and payable to it by distributors in the Los Angeles Sales Area, including the respondent, as surplus deductions, represented the difference between the base price and the surplus price for the various periods here under consideration as provided in said License No. 17 and were approved by the Los Angeles Milk Industry Board.

(17) That operating statements for the periods November 20, 1933, to November 30, 1933, December, 1933, January, 1934, and February, 1934, were prepared from the books and records of Milk Producers, Inc., successor to Producers Arbitration Committee, Inc., which statements reflect the recorded transactions for the above named periods and reveal a loss of attributable to the operation of the surplus plant for the periods above set forth.

(18) That the operating charges incurred by the surplus plant operated by Milk Producers, Inc., successor to Producers Arbitration Committee, Inc., were approved by the proper authorities and represent reasonable items of expense.

(19) That a charge of 1¢ per pound of butterfat was set up for the month of December, 1933, through adjustment of the base price for that period with respect to working capital and that the methods adopted by Milk Producers, Inc., successor to Producers Arbitration Committee, Inc., in arriving at the amounts to be charged to working capital were ratified and approved by the Los Angeles Milk Industry Board, as provided by Paragraphs 7 and 8 of the Exhibit C - "Establishment of Adjusted Base Price", of said License No. 17.

(20) That the methods adopted by Milk Producers, Inc., successor to Producers Arbitration Committee, Inc., in arriving at surplus deductions were reasonable and were approved by the Los Angeles Milk Industry Board and by the Secretary.

(21) That a small quantity of Grade B milk was handled by the surplus plant; that in the handling of said milk no loss was incurred and that the income from Grade B milk resulting from the sale of butter, powdered skim and other manufactured products arising therefrom more than offset the price paid for Grade B milk and the manufacture thereof.

(22) That the Los Angeles Milk Industry Board is audited monthly by Martin J. Masters, certified public accountant, Los Angeles, California, which audits indicate that the items of expense incurred by said Board were proper in effectuating the purposes and principles embodied in License No. 17.

(23) That said license, its officers, employees and agents in the State of California at divers times since November 20, 1933, has violated Article III, Section 1 of said License under License No. 17 by purchasing fluid milk for distribution under terms and conditions other than these set forth in Exhibit A of said License.

(24) That the respondent failed to file, prior to the 5th day of each month, with the Chairman of the Los Angeles Milk Industry Board, a statement of (a) the quantity of milk purchased from each producer; (b) the quantity produced and sold as fluid milk, as provided for by Paragraph 4 (a) of Article III of said license.

(25) That, pursuant to Paragraph 4 (b) of said License, the Los Angeles Milk Industry Board made a determination that distributors be billed at the rate of $1/4\phi$ per pound butterfat contained in the milk purchased by distributors and $1/4\phi$ per pound butterfat for all milk distributed.

(26) That the respondent purchased fluid milk, for distribution as Grade A market milk, from producers without obtaining the authorization of such producers to pay over to the Los Angeles Milk Industry Board amounts of $1/4\phi$ for each pound of butterfat contained in said milk purchased by the respondent, determined by said board to be payable to it, and failed and refused to pay over to said Board said amounts and also an additional amount of $1/4\phi$ for each pound of butterfat contained in milk produced by it.

(27) That the respondent was billed monthly for the above amounts determined by the Los Angeles Milk Industry Board to be due under Paragraph 4 (b) of Article III of said license, and subsequently corrected billings with respect to the foregoing periods were sent to the respondent in respect of the amounts determined by the Los Angeles Milk Industry Board to be due under Paragraph 4 (b) of Article III of said license.

(28) That the respondent failed to pay over to the Los Angeles Milk Industry Board the amount of $1/4\phi$, as a distributor, for each pound of butterfat contained in the milk distributed by said respondent, as provided by Paragraph 4 (b) of Article XII of said license.

(29) That, pursuant to provisions of Paragraph 4 (c) of Article III of said license, the Los Angeles Milk Industry Board made a determination each month of the average amount of the deductions which the members of the associations therein named authorized the distributors to pay over to such associations in behalf of their respective members, for the purpose of determining an amount to be paid equal to said average by producers not members of the associations therein named to the Los Angeles Milk Industry Board; that said determinations were corrected in accordance with reports submitted to it by said association.

(30) That the said respondent purchased milk for distribution as Grade A market milk from producers not members of the associations therein named without obtaining the authorization of such producers to pay over to the Los Angeles Milk Industry Board the amounts determined by the Los Angeles Milk Industry Board under Paragraph 6 (a) as due and payable to it.

(31) That the said respondent was billed monthly for the amounts determined to be due by the Los Angeles Milk Industry Board under Paragraph 4 (c) of Article III of said license; and later was furnished with corrected billings with respect to said amounts; that the respondent failed to pay over to the Los Angeles Milk Industry Board said corrected amounts so determined by said Board to be payable to it.

(32) That the respondent has failed to pay and has not paid to the Los Angeles Milk Industry Board the deductions required in accordance with the provisions of Paragraph 4 (b) and Paragraph 4 (c) of Article III of said License which payments were required to be made at the time for making payments to producers for milk purchased pursuant to Paragraph 4 (d) of said License No. 17.

(33) That the respondent purchased milk for distribution as Grade A Market Milk from the producers who were not members of the associations listed in Paragraph 4 of Article III of said license and that the respondent did not and has not secured the authorization of such producers to deduct as surplus deductions each month the amounts required to be deducted in accordance with the provisions of Paragraph 5 (b) of Article III of said license.

(34) That the Los Angeles Milk Industry Board made a determination of the amounts due and payable to the Milk Producers, Inc., as surplus deductions.

(35) That the respondent was billed monthly for the amounts determined to be payable as surplus deductions to Milk Producers, Inc., as provided for by Paragraph 5 (b) and Paragraph 5 (c) of Article III of said License and that subsequently corrected billings were sent to the respondent with respect to the amounts due and payable as surplus deductions to Milk Producers, Inc., successor to Producers Arbitration Committee, Inc.

(36) That the respondent failed to pay the sums estimated as surplus deductions to Milk Producers, Inc., successor to Producers Arbitration Committee, Inc., for each month, as provided for by Paragraph 5 (b) and Paragraph 5 (c) of Article III and Exhibit C of said License.

(37) That the failure by the respondent to comply with each and all of the aforesaid provisions of License No. 17 constitutes a violation of the respective provisions of said License No. 17 and also constitutes a violation of Paragraph 4, Section 7, Article II of License No. 57, License for Milk--Los Angeles, California, Sales Area.

CONCLUSION

Based upon the foregoing Findings of Fact I hereby determine and conclude that the facts and circumstances proved in this case establish and prove the charges Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 15 and 16 of the said Order to Show Cause and prove the violations by the respondent of License No. 17, as charged therein, and therefore establish and prove violation by the respondent of Article II, Section 7, Paragraph 4 of License No. 57, as charged in the amendment to the Order to Show Cause.

I further determine that any one of said violations of License No. 17 so established and proved warrants independently the revocation of the license of the respondent under License No. 57.

ORDER

The Secretary of Agriculture hereby issues the following Order:

IT IS HEREBY ORDERED that the License of Valley Dairy Co., Inc., a California corporation, under License No. 57, License for Milk, Los Angeles, California, Sales Area, be and it is hereby revoked.

IT IS FURTHER ORDERED that this Order shall become effective on and after 6:00 p.m., Pacific Time on the 28th day of July, 1934.

IT IS FURTHER ORDERED that a copy of this order be served on the VALLEY DAIRY COMPANY, INC., by depositing the same in the United States mail registered and addressed to Valley Dairy Company, Inc. of Glendale, California at its last known address, to wit: 2401 Fletcher Drive, Glendale, California.

IN WITNESS WHEREOF I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed hereto in the City of Washington, District of Columbia, this 28th day of July, 1934.

H. Wallace

Secretary of Agriculture.